



GFHP US Student Housing IV

Investor Presentation

An opportunity to invest in a portfolio of student housing assets in the United States through a Shari'a compliant structure.

Private & Confidential - August 2024

Fund Summary & Key Merits

A dimly lit living room with a modern aesthetic. On the left, a television sits on a white metal stand. Above it is a large, dark metal grid artwork. A potted plant stands next to the TV stand. In the center, a low, dark coffee table holds decorative items. A striped rug is on the floor. To the right, a sofa with colorful pillows is visible. A large window with white blinds and orange curtains is in the background. A floor lamp with a dark shade is on the right side.



With U.S. college enrollment surpassing 20 million students, the student housing market is strained by limited supply and growing demand resulting in promising investment opportunities in this sector.



Investment Opportunity

Key Highlights

A fund comprised of income yielding and development student housing assets in the United States.

Fund Size

US\$ **85m**

Cash on Cash Yield

8.25%

Return on Investment

11% p.a.

Fund Term

4 Years





Investment Merits

Robust Fundamentals & Strong Foundations

Solid sector with strong fundamentals and potential for further growth.

Robust Fundamentals



Leading University Selection

Robust enrollment growth expected at top universities.



Growing Demand

Education affordability is driving increasing market share.



Limited Supply

University budgets remain constrained, limiting new supply especially at flagship universities. Markets with minimal pipeline and in-campus beds available.



Attractive Asset Class

Inflation-hedged asset class with current yield and capital appreciation.

Strong Foundations



Strategically Aligned

Best in class, highly experienced operators with extensive experience in student housing.



Experienced Asset Manager

Recently exited a portfolio of over 1,250 delivering returns above initial business plan to investors.

Newly launched funds with over 3,200 beds have been fully subscribed and performing in line and above the business plan.

Market Rationale





Market Overview

Source: Yardi, Cushman & Wakefield, Berkadia, CBRE

Market Summary 2024

Strong Enrollment Growth

US universities saw an increase of approximately 200,000 in undergraduate enrollments in spring 2024, driving up demand for student housing, particularly in rapidly growing regions like the Sun Belt.

Demand-Supply Imbalance

Despite the addition of about 28,000 new US student housing beds in 2024, this supply falls short of meeting the high demand generated by increasing enrollments, leading to a continued shortage in available student housing.

Limited Construction Activity

High interest rates and rising construction costs have slowed down the development of new student housing projects in the US, contributing to reduced pipeline of new housing supply expected by 2025-2026.

Student Preference for Purpose-Built Housing

There is a growing trend of US students preferring purpose-built student housing over multifamily apartments, due to the tailored amenities, proximity to campus, and lease structures aligned with the academic calendar.

Performance Dashboard for Year Ended 2023

Rent Growth Y-o-Y



+12.8%

Market Occupancy
(Dec 2023)



95%

Market Preleasing
(June 2024)



85%

Performance Dashboard for Year Ended 2023

Sales Volume



US\$3.9bn

Avg Vintage



1998

Average Cap Rate



6.0%



Market Fundamentals

Preleasing and Annual Rent Growth

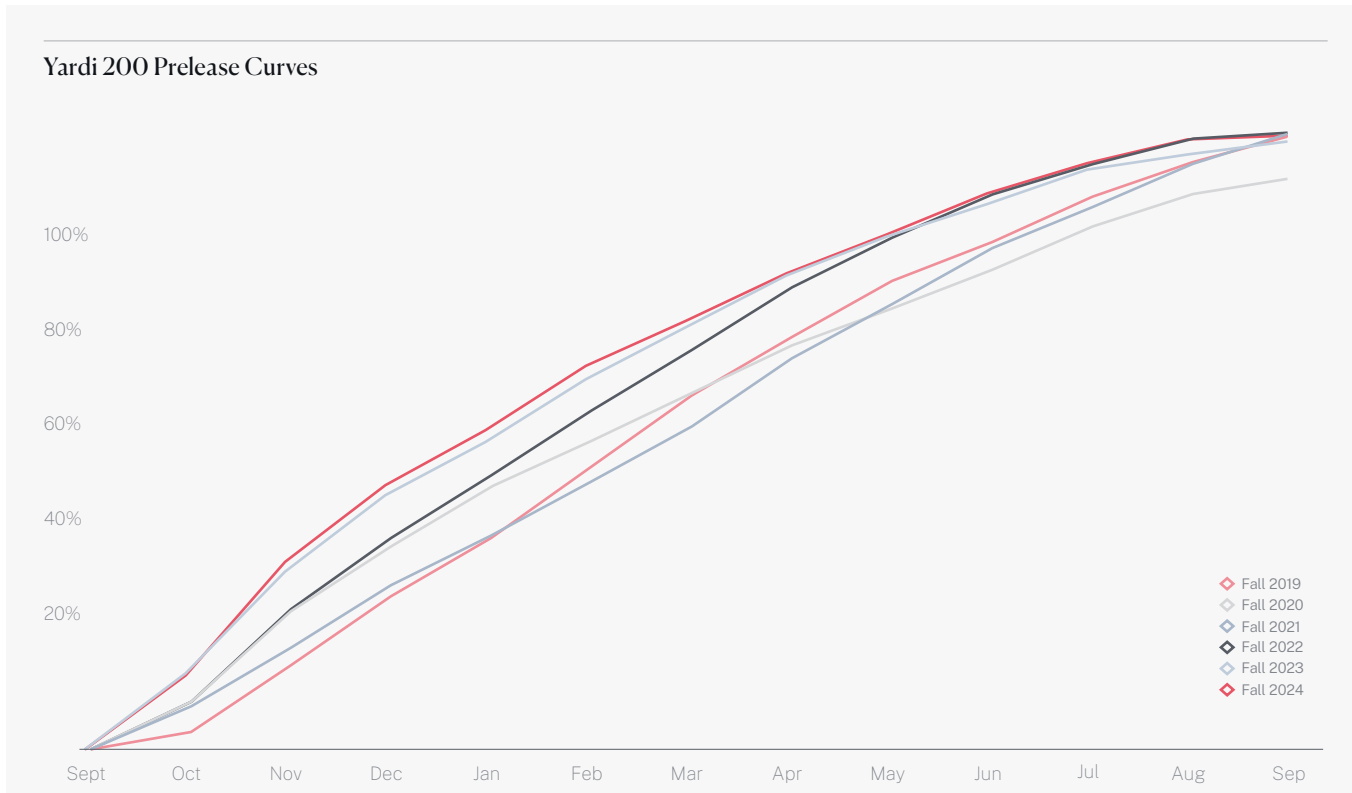
Yardi 200 Prelease Curves

Preleasing for the Yardi 200 schools reached 90% in August 2024, matching the rate from May 2023

Yardi 200 Annual Rent Growth

Average rent per bed was around \$900 in May 2024, up c.5% from the previous year and 0.1% from April 2024.

Student housing has shown resilience compared to the broader multifamily sector, driven by increasing enrollments and limited new supply, ensuring steady demand and rent growth. Rising enrollments have driven strong demand for student housing, contributing to its robust performance despite varying market conditions.



Source: Yardi Matrix





Market Fundamentals

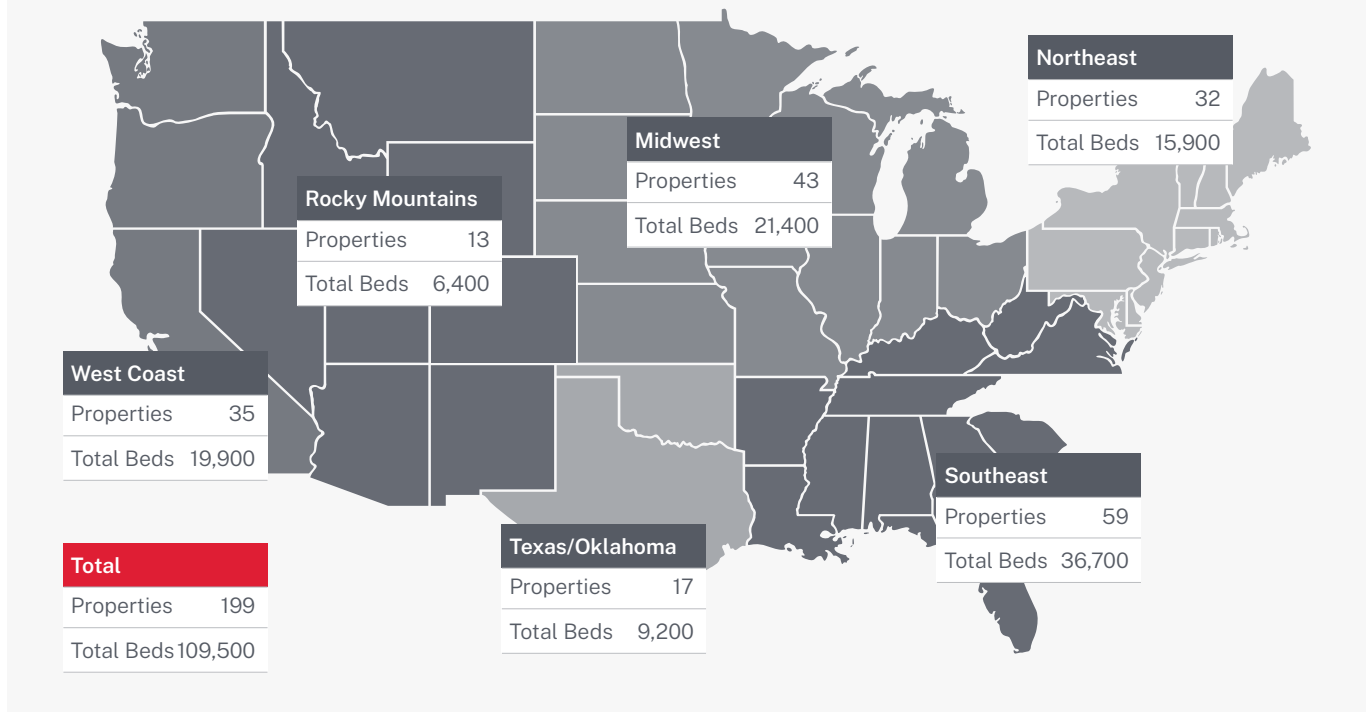
Student Accommodation Construction and Pipeline

Student Housing Construction

The US is experiencing a significant student housing shortage due to strong demand driven by enrollment growth. Undergraduate enrollment saw an increase of approximately 359,000 new students, heightening the demand for housing.

This enrollment surge, especially at large state universities, has outpaced the development of new housing, leading to a severe shortage. About 28,000 new student housing beds are expected to be delivered in 2024, but this number is insufficient to meet the growing demand.

Student Housing Demand and Supply Imbalance



Sources: Berkadia

Source: Berkadia

The Fund

A man in a dark suit and glasses stands with his back to the camera on a rooftop ledge. He is looking out over a city skyline at dusk. The sky is a deep blue, and the buildings are silhouetted against the light. The man's hands are resting on the ledge. The overall mood is contemplative and professional.

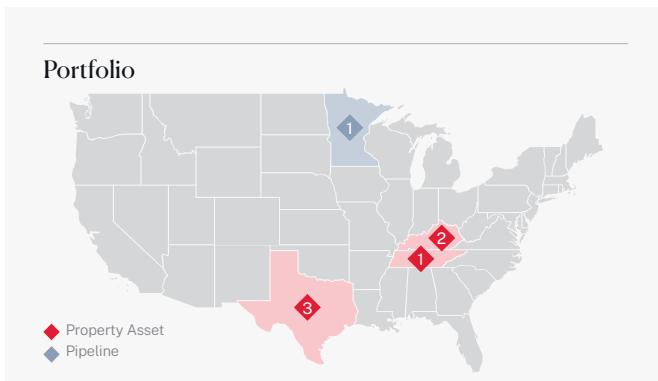
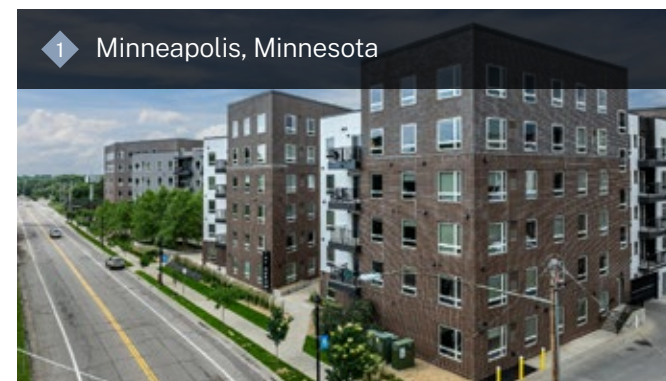
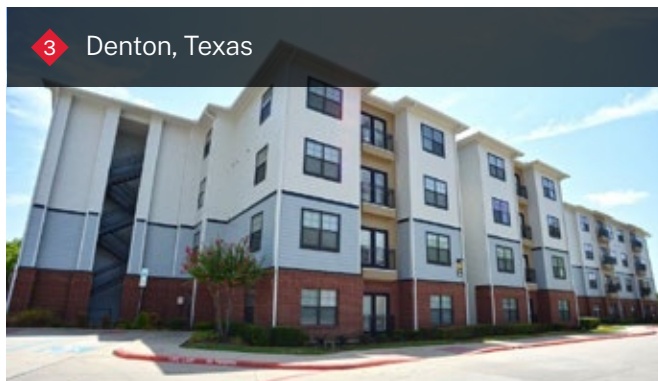
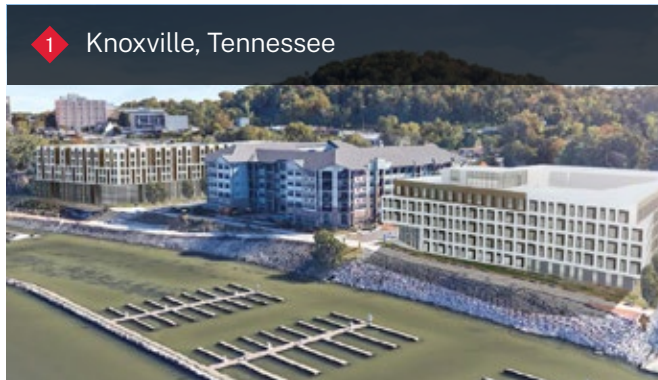


The Fund

Investment Strategy

Invest in high-quality purpose-built student housing properties close proximity to top-tier public 4-year universities, and drive value through leasing/marketing strategy, operational efficiencies, and strategic capital upgrades.

The immediate pipeline is a collection of student housing properties. The Asset Manager will select assets with a total fund size equivalent to up to US\$ 85 million.



Sources: Berkadia; Real Capital Analytics; CoStar. Based on properties \$2.5M or greater.

Asset 1 and 2 has been closed/acquired, while Asset 3 is under contract and will be closed upon the completion and satisfactory outcome of the due diligence. Asset 3 and Asset 4 are subject to change as due diligence progresses. Should the above not materialize, the investment team may pursue other potential student housing opportunities) or add/replace properties that fit within the parameters/criteria set out.



The Fund

Portfolio Composition

Strategy	Asset 1	Asset 2	Asset 3	Asset 4
Type	Development	Core Plus	Core Plus	Core Plus
Location	Knoxville, Tennessee	Lexington, Kentucky	Denton, Texas	Minneapolis, Minnesota
Adjacent University	University of Tennessee	University of Kentucky	University of North Texas	University of Minnesota
University Classification	Power 5 & R1 Research	Power 5 & R1 Research	NCAA Division 1 & R1 Research	Power 5 & R1 Research
Distance to Campus	0.3 miles	0.2 miles	0.3 miles	0.4 miles
Year Built	Delivery 2026	2009	2011	2018
Number of Beds	605	649	432	470
Number of Units	202	266	120	215
Unit Mix	Studio –5 bedroom	1 –4 bedroom	2 –4 bedroom	Studio –4 bedroom
Current Occupancy	N/A	98%	100%	97%
Average Rent per Bed	\$1,388	\$751	\$775	\$846
Parking Space	380 spaces	531 spaces	63 spaces	139 spaces
Market Size	36,000 students	33,000 students	46,000 students	54,000 students

Asset 1 and 2 has been closed/acquired, while Asset 3 is under contract and will be closed upon the completion and satisfactory outcome of the due diligence. Asset 3 and Asset 4 are subject to change as due diligence progresses. Should the above not materialize, the investment team may pursue other potential student housing opportunities) or add/replace properties that fit within the parameters/criteria set out.



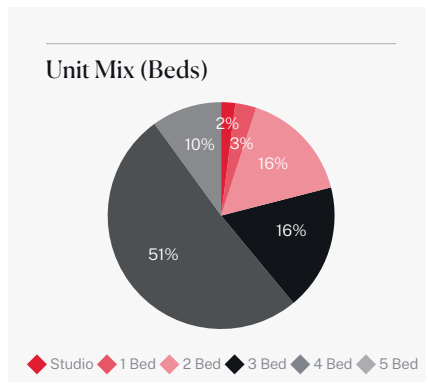


Asset 1 - Knoxville, Tennessee

Asset Details

Asset 1	
Type	Development
Location	Knoxville, Tennessee
Adjacent University	University of Tennessee
University Classification	Power 5 & R1 Research
Distance to Campus	0.3 miles
Year Built	Delivery 2026
Number of Beds	605
Number of Units	202
Unit Mix	Studio - 5 bedroom
Current Occupancy	N/A
Average Rent per Bed	\$1,388
Parking Space	380 spaces
Market Size	36,000 students

Asset Overview



Asset Merits

Record Dynamic Enrollment Growth

UTK witnessed its largest enrollment in Fall 2023, with a 7.4% year-over-year increase (totaling more than 36,000 students). Furthermore, the university experienced around 90% retention rate and aims to enroll 46,0000 students by 2030.

Top Performing Student Housing Market

University of Tennessee's ("UTK") purpose-built student housing market recorded a 23.5% year-over-year rent growth for Fall 2024, ranking it the first in student housing market fundamentals by Yardi Matrix, and led the nation in rent growth for the second consecutive year.

Plans for Infrastructural Enhancements

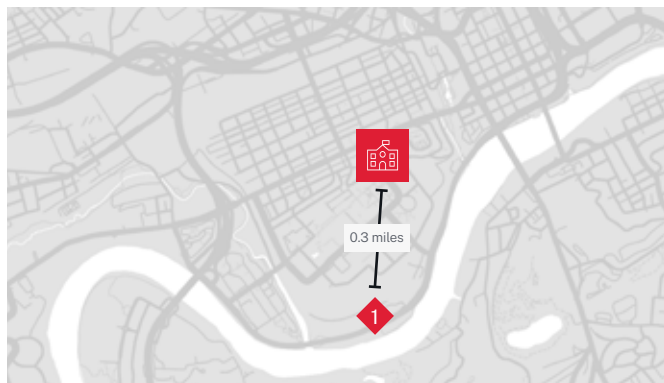
The university's campus design is almost complete, leaving the campus now with pedestrian-friendly renovated aesthetic, large areas of open green space, uniform building design, restoration of existing facilities as well as new construction facilities. The aim is to also expand on its infrastructural progress through construction and renovation of new student housing, athletic and recreation, facilities, research buildings, and river access.





Asset 1 - Knoxville, Tennessee

Asset Location



Location

Located along Tennessee River in eastern Tennessee, and is just about 3 hours away from Nashville, Tennessee, Knoxville is with 112 miles of paved greenways and natural trails. Unparalleled views with direct access to the main retail corridors and just below a half mile from many on the on-campus destinations.

Gallery



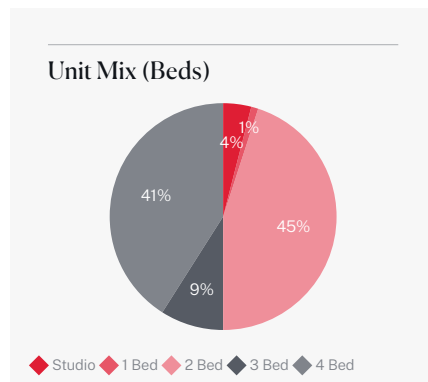


Asset 2 - Lexington, Kentucky

Asset Details

Asset 2	
Type	Core Plus
Location	Lexington, Kentucky
Adjacent University	University of Kentucky
University Classification	Power 5 & R1 Research
Distance to Campus	0.2 miles
Year Built	2009
Number of Beds	649
Number of Units	266
Unit Mix	1-4 bedroom
Current Occupancy	98%
Average Rent per Bed	\$751
Parking Space	531 spaces
Market Size	33,000 students

Asset Overview



Asset Merits

Recent CapEx Enhancements

The previous owner recently spent US\$ 3 million on common area renovations and enhancements over the last 3 years.

Fully Amenitized

Facilities include 24-hour state of the art fitness center, resort style pool, yoga studio, study spaces, outdoor garden, BBQ areas, newly renovated clubhouse, and game lounge.

Supply Capacity

The University of Kentucky currently offers 8,200 beds on-campus. With enrollment expected to grow in the upcoming years, the supply and demand gap is only anticipated to widen, especially since the available units get rented on a compulsory basis to freshman students.

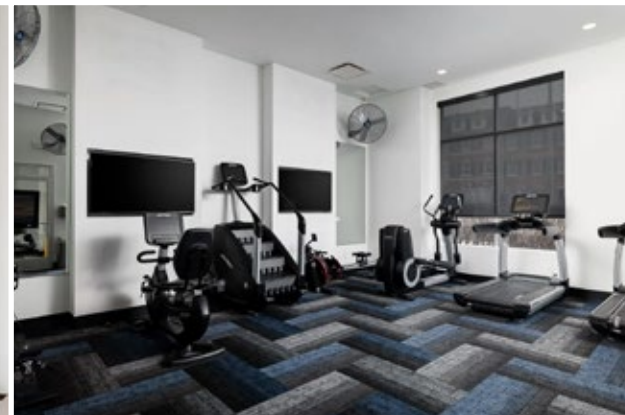
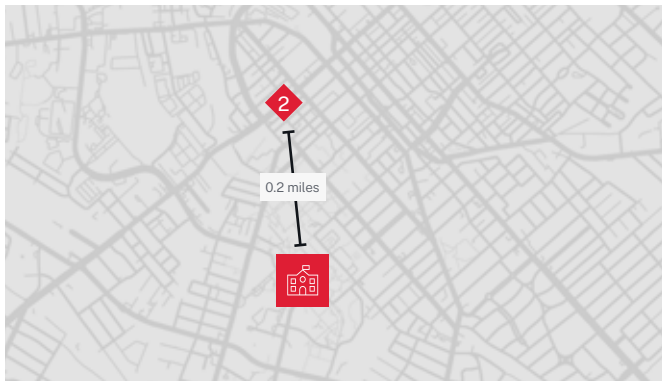




Asset 2 - Lexington, Kentucky

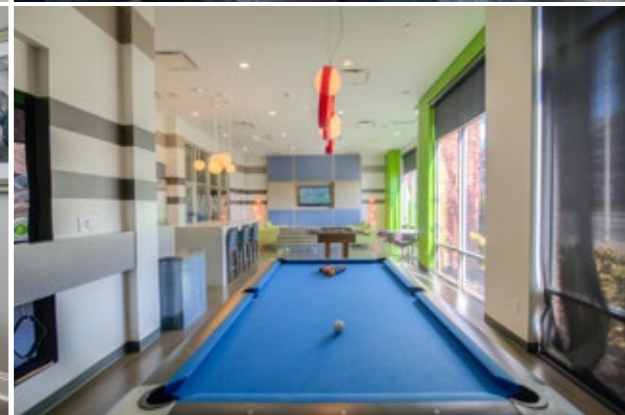
Asset Location

Gallery



Location

The building is located in close proximity to the town as well as the university. Additionally, in the 2020 census the city's population was 322,570, making it the second-most populous city in Kentucky, and the 60th-most populous city in the United States. By land area, it is the country's 30th-largest city.



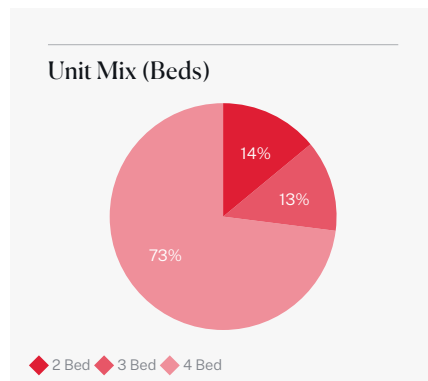


Asset 3 - Denton, Texas

Asset Details

Asset 3	
Type	Core Plus
Location	Denton, Texas
Adjacent University	University of North Texas
University Classification	NCAA Division 1 & R1 Research
Distance to Campus	0.3 miles
Year Built	2011
Number of Beds	432
Number of Units	120
Unit Mix	2-4 bedroom
Current Occupancy	100%
Average Rent per Bed	\$775
Parking Space	63 spaces
Market Size	46,000 students

Asset Overview



Asset Merits

Recent CapEx Enhancements

204 beds of the total 432 renovated beds are achieving \$50 premiums and once all rooms are factored in, the property is expected to achieve 10% rent growth for the upcoming academic year.

Fully Amenitized and Recently Renovated

This community offers a wide variety of amenities like complimentary coffee, 24 hours fitness and business centers, game room, a clubhouse, resort-style pools, and a tanning salon.

Supply Capacity

No future off-campus developments planned as of now on the Cleveland street.

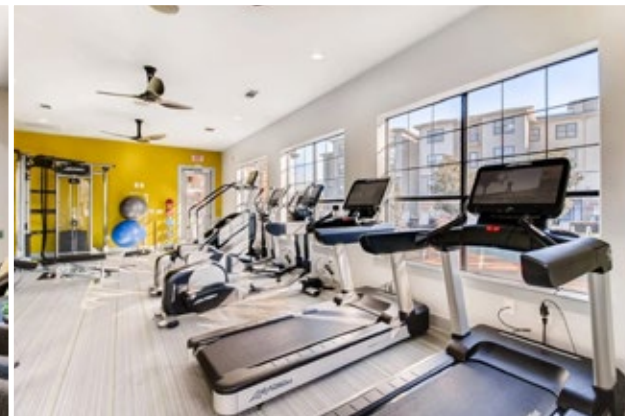
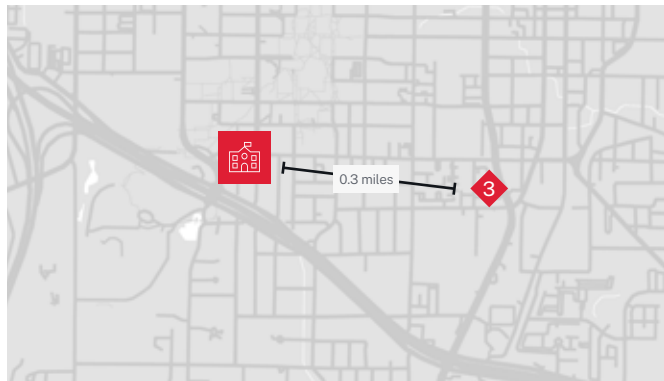




Asset 3 - Denton, Texas

Asset Location

Gallery



Location

Situated on Cleveland street, local residents have convenient access to a number of attractions nearby such as cafes, thrift shops,





Other Potential Student Housing Opportunities

The Asset Manager has an active pipeline of student housing assets that will be pursued in the event that the targeted assets presented do not progress post due diligence reviews.

Assets	Beds	Year Built	University	Total Enrollment	Profile	Current Occupancy
1	210	2016	Uni of Georgia	40,118	Core +	99%
2	382	2021	Appalachian State Uni	21,253	Core +	100%
3	482	2007	Uni of Illinois	33,522	Value Add	99%
4	544	2016	Oklahoma State Uni	26,007	Core +	100%





Investment Selection Criteria

The Fund will capitalize on the following themes that are driving strong fundamentals within the student housing space in the US:

Robust enrollment growth expected at Tier-1 universities across undergraduate and graduate programs.

Education affordability is driving increasing market share to top public universities.

University budgets remain constrained, limiting new supply to accommodate enrollment.

Purpose-built student housing assets remain undersupplied at Tier-1 university markets.

Inflation-hedged asset class with current yield and capital appreciation.

Objective	Consistent Yield	Total Return Enhancement
Allocation	Majority	Minority
Strategy of the Fund	Stabilized Income Generating Properties	Development
Targeted Asset(s)	As selected or according to the criteria set out in "Investment Selection Criteria"	Villas at Knoxville, Tennessee
Constituents Features	<ul style="list-style-type: none"> • Top tier markets • US public 4-year universities • Strong academics and athletics programs • High-quality amenitized student housing • Close proximity, pedestrian assets 	<ul style="list-style-type: none"> • Strong university market with undersupply of student housing beds • Limited land around the campus due to terrain restrictions to develop, restraining new supply • Strong developer profile • No pre-development risk (shovel ready) • Secured construction financing • Airtight construction contracts
Business Plan	<ul style="list-style-type: none"> • Leasing/marketing strategy capturing rent growth • Operational efficiencies improving cost structure • Strategic capital upgrades to competitively position the properties 	<ul style="list-style-type: none"> • Develop the property • Lease up the first cycle of operations • Stabilize the occupancy • Dispose and realize the investment

In the event that the assets presented do not materialize, then alternative properties may be added/replaced that will fit within the parameters/criteria set. The Asset Manager reserves the right to increase the total Subscription Proceeds to US\$ 120 million by pursuing new investments that meet the Investment Selection Criteria.



Asset Manager





GFH Partners

Profile

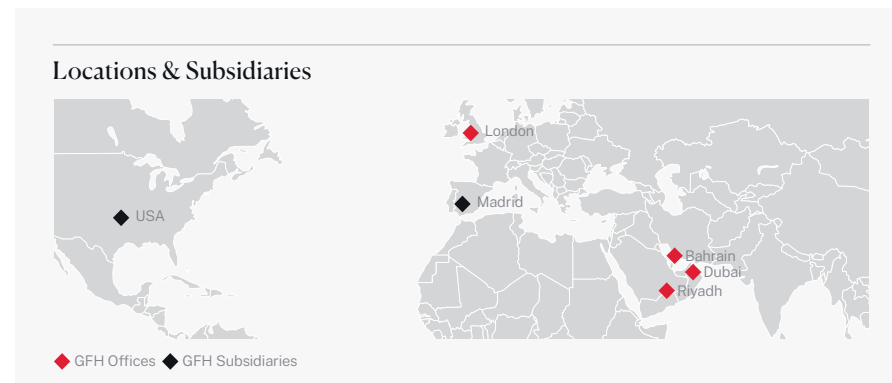


AUM	US\$ 6 billion
Offices	6
Employees	15+

Profile

GFH Partners is a premier real estate investment management firm and a wholly owned subsidiary of GFH Financial Group that specializes in thematic investments and offers unparalleled expertise through a growing network of strategic partners.

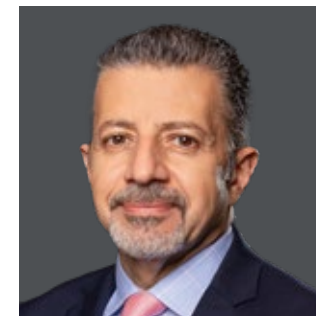
Geographical Presence



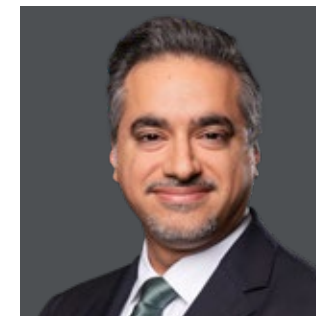
Performance

	Exited	Current	
Fund	Diversified US Student Housing Portfolio	Diversified US Student Housing Portfolio II	US Student Housing Portfolio III
Size	US\$ 114 million	US\$ 260 million	US\$ 300 million
Acquisition Date	2021	2022	2023
Exited	Dec 2023	-	-
ROI	11%	-	-

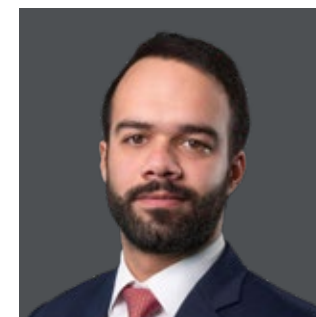
Fund Professionals



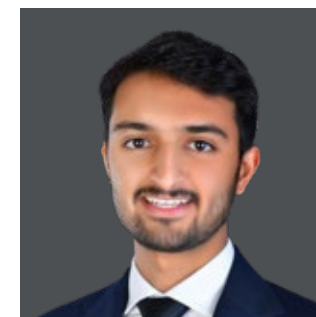
Nael Mustafa
Chief Executive Officer



Talal Al Mahroos
Chief Operating Officer



Abdulla Aamer
Director



Omar Al Bader
Manager

Operating Partners

A modern office interior with a kitchen area, a meeting table, and a bookshelf. The text "Operating Partners" is overlaid on the left side. The kitchen features a white countertop, a sink, a stove, and a refrigerator. The meeting area has a long table and chairs. The bookshelf is filled with books and has the word "DENTON" visible on it. The ceiling has recessed lighting and pendant lights.

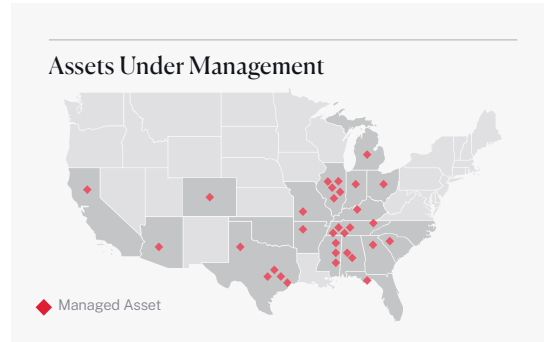


Operating Partners

SQ Asset Management



Founded	2013
AUM	\$1.4+ billion
Number of Beds	13,900+
Track Record	Net IRR of 21%



Andy Feinour
President and CEO



Stephanie Lynch
Chief Financial & Investment Officer



Andy Layton
Chief Acquisition Officer



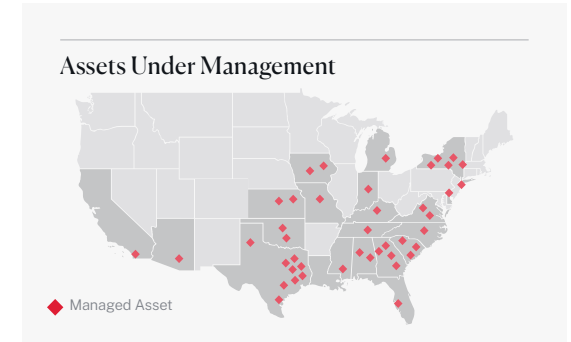
Keith Jernigan
COO & General Counsel



Vesper Holdings



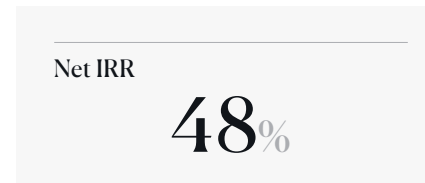
Founded	2007
AUM	\$2.0+ billion
Number of Beds	30,000+
Track Record	Gross IRR of 48%



Elliot J. Tamir
Co-Founder and Co-CEO



Issac J. Sitt
Co-Founder and Co-CEO



Further Information

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